

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of GridLiance)
High Plains LLC for Authority to Sell Certain)
Assets to the Missouri Joint Municipal Electric) **File No. EM-2022-0156**
Utility Commission and, in Connection)
Therewith, Certain Other Related Transactions)

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission and for its Staff Recommendation in this matter respectfully states as follows:

1. On December 10, 2021, GridLiance High Plains LLC (“GridLiance”) filed its Application and Motion for Waiver (“Application”) in this matter. On December 13, 2021, the Commission issued an Order Directing Notice, Setting Deadline for Intervention Requests, and Directing Filing (“Order”) in which the Commission ordered Staff to file a recommendation or status report no later than January 26, 2022.

2. On December 30, 2021, the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) filed an Application to Intervene in this case. The Commission granted MJMEUC’s intervention in an order issued on January 10, 2022.

3. In its Application, GridLiance requested that the Commission issue an order:

(A) authorizing GridLiance to sell the assets identified in the Application to MJMEUC;

(B) authorizing GridLiance to perform in accordance with the terms described in the Asset Purchase Agreement that is attached to the Application and to take any and all other actions that may be reasonably necessary and incidental to the performance of the sale;

(C) authorizing GridLiance, effective upon the closing of the transaction, to terminate its responsibilities as an electrical corporation in Missouri, and cancelling GridLiance's CCNs and its filed tariffs;

(D) granting its motion for a waiver of the 60-day prefiling notice requirement of 20 CSR 4240-4.017(1); and,

(E) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the Asset Purchase Agreement and the Application and to consummate related transactions in accordance with the Agreement.

4. As reflected in the Staff Recommendation memorandum which is being filed herewith and which is incorporated herein by reference, Staff recommends the Commission issue an order approving GridLiance's Application with the following conditions:

(i) that the Commission order GridLiance and MJMEUC to file in this docket a final Bill of Sale reflecting the net book value of these assets upon obtaining all necessary regulatory approvals; and

(ii) that the Commission order MJMEUC to file in this docket official documents regarding contracts for on-going maintenance of these facilities with the City of Nixa upon completion of such contracts.

WHEREFORE, Staff submits its Staff Recommendation as ordered by the Commission.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 26th day of January 2022.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EM-2022-0156, In the Matter of the Application of GridLiance High Plains LLC for Authority to Sell Certain Assets to the Missouri Joint Municipal Electric Utility Commission and, in Connection Therewith, Certain Other Related Transactions

FROM: Alan J. Bax, Industrial Analysis Division – Engr. Analysis

<u>/s/ Alan J. Bax</u>	<u>01/26/2022</u>	<u>/s/ Jeffrey A. Keevil</u>	<u>01/26/2022</u>
Engr. Analysis Unit	/Date	Staff Counsel Office	/Date

SUBJECT: Staff Memorandum Recommending Approval of Request to Sell, Assign, Lease, or Transfer Assets

DATE: January 26, 2022

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve, with conditions, GridLiance High Plains LLC’s (“GridLiance”) Application and Motion for Waiver (“Application”), which requests to sell certain assets to the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”), concluding that the Application is not detrimental to the public interest pursuant to Section 393.190.1 RSMo 2020, and 20 CSR 4240-10.105 (1) (D). The Application meets the filing requirements contained in 20 CSR 4240-2.060 and 20 CSR 4240-10.105.

OVERVIEW

On December 10, 2021, GridLiance filed an Application requesting approval to sell certain assets to MJMEUC, including approximately ten miles of 69 kV rated transmission lines and related facilities, located in Christian and Greene Counties in Southwest Missouri. GridLiance’s verified Application indicates that these are all of GridLiance’s assets in the state of Missouri at this time and that upon closing of the transaction it will no longer be an electrical corporation in Missouri; therefore, it requests the Commission issue an order authorizing GridLiance, effective upon the closing of the transaction, to terminate its responsibilities as an electrical corporation in Missouri, and

cancelling GridLiance's CCNs and its filed tariffs. In this Application, GridLiance also requests a waiver of the 60 day notification of its intention to file said Application as otherwise required per 20 CSR 4240-4.017 (1). GridLiance contends that these assets will remain under the functional control of the Southwest Power Pool ("SPP") after the sale and as a consequence, the sale of these assets will have no adverse effect on wholesale rates for electric power. GridLiance indicates that it has had no communications with the office of the Commission (as defined by 20 CSR 4240-4.015(10)) regarding any substantive issue likely to be [discussed] in this case during the [immediately] proceeding 150 days, which establishes good cause for requesting the waiver from the 60-day notification requirement of 20 CSR 4240-4.017 included in the Application. An Asset Purchase Agreement ("APA") between GridLiance and MJMEUC, which contains specific terms of the pending sale of assets as well as the method of calculating the associated purchase price, is included with the Application, as required by 20 CSR 4240-10.105 (1) (B).

On December 13, 2021, the Commission issued an *Order Directing Notice, Setting Deadline for Intervention Requests, and Directing Filing* in which it directed its Data Center to provide a copy of this Application to County Commissions and County Clerks in both Christian and Greene County and its Public Policy and Outreach division to provide notice of this Application to each member of the General Assembly representing Christian and Greene Counties and to corresponding media outlets in these Counties as well. In addition, a deadline of January 18, 2022 was established for any party desiring to intervene in this case and Staff was directed to file a recommendation or a status report no later than January 26, 2022. On December 30, 2021, MJMEUC filed an Application to Intervene in this case, a request that was approved by the Commission in its *Order Granting Application to Intervention* filed on January 10, 2022.

GridLiance is an "electrical corporation" and a "public utility," as defined in Section 386.020 RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law. GridLiance has no overdue annual reports or assessment fees. Staff is not aware of any pending action or final unsatisfied judgements against GridLiance from any state or federal agency or court that involve customer service or rates that have occurred within the last three years of this filing.

MJMEUC is a municipal joint action energy agency formed under the Joint Municipal Utility Commission Act and therefore, is not subject to Commission jurisdiction regarding rates and thus has no overdue annual reports or assessment fees. MJMEUC is authorized to jointly own transmission and generation facilities for the production and distribution of electric power on behalf of its members. MJMEUC's membership currently includes approximately seventy municipal electric systems in Missouri. Staff is not aware of any pending action or final unsatisfied judgements against MJMEUC from any state or federal agency or court involving customer service or rates that has occurred within the last three years that either effects, or would be effected by, this filing.

DISCUSSION

GridLiance, formerly known as South Central MCN LLC, originally sought a Certificate of Convenience and Necessity ("CCN") from the Commission in Case No. EA-2016-0036 in regard to its desire to purchase electrical facilities from the City of Nixa, Missouri. Subsequently, GridLiance would seek an additional CCN in Case No. EA-2019-0112, in association with certain improvements being installed to the aforementioned electrical assets acquired in the previous CCN case mentioned above. In sum, these facilities, in total, that is the assets acquired in Case No. EA-2016-0036 plus the improvements made to these assets in concurrence with Case No. EA-2019-0112, comprise the complete list of assets that GridLiance is requesting to sell to MJMEUC in the current proceeding.

As a result of a settlement agreement in EA-2016-0036, and reiterated in MJMEUC's Response to Staff Data Request No. 3, functional control of the aforementioned assets was transferred to the Southwest Power Pool ("SPP"), and are operated within SPP's Open Access Transmission Tariff ("OATT") within the Southwest Power Administration Zone 10. This arrangement has been maintained since its inception in 2016, as GridLiance has submitted such proof annually to the Commission as ordered by the Commission as a condition to approving GridLiance's request for a CCN in EA-2016-0036 and again in EA-2019-0112. If the current Application is approved, MJMEUC will maintain this arrangement regarding the operation of these

facilities per details contained in the Asset Purchase Agreement (“APA”) between GridLiance and MJMEUC attached to the Application and per MJMEUC’s Response to Staff Data Request No. 3.

This APA, dated October 12, 2021, describes the terms in which GridLiance will sell these certain facilities to MJMEUC. The APA includes a list of the associated assets to be sold and a corresponding draft of a “Bill of Sale” as required to be filed with the Application per Section 393.190.1 RSMo 2020 and 20 CSR 4240-10.105. Staff notes that the Response to Staff Data Request No. 5 indicates that the closing purchase price will reflect the current net value of the assets upon receipt of all regulatory approvals. Staff recommends that the Commission order GridLiance and MJMEUC to provide a final Bill of Sale as a condition in granting approval to the Application.

In its Response to Staff Data Request No. 4, MJMEUC provides drafts of pending contracts for on-going maintenance of the acquired facilities with the City of Nixa, Missouri, upon receiving all necessary applicable regulatory approvals. Staff would recommend that the Commission order MJMEUC to provide a copy of such contracts upon completion as a condition to approving the Application. As noted in the Application, there will be a tax impact in the local area given that MJMEUC is a tax-exempt entity.

CONCLUSION

Staff recommends that the Commission issue an order (1) approving GridLiance’s Application, authorizing it to sell certain assets, including approximately ten miles of 69 kV rated transmission lines, to MJMEUC, concluding that the request is not detrimental to the public interest as required by 393.190.1 RsMO 2020 and 20 CSR 4240-10.105 (1) (D); (2) authorizing GridLiance, effective upon the closing of the transaction, to terminate its responsibilities as an electrical corporation in Missouri, and cancelling GridLiance’s CCNs and its filed tariffs; and (3) granting the motion for a waiver of the 60-day prefiling notice requirement of 20 CSR 4240-4.017(1). The Application meets the requirements specified in 393.190.1 RSMo 2020 as well as those included in 20 CSR 4240-2.060 and 20 CSR 4240-10.105.

In recommending approval of this request, Staff recommends the Commission order GridLiance and MJMEUC to provide a final Bill of Sale reflecting the net book value of these assets upon obtaining all necessary applicable regulatory approvals. In addition, Staff also recommends the Commission order MJMEUC to provide official documents regarding contracts for on-going maintenance of these facilities with the City of Nixa upon completion.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

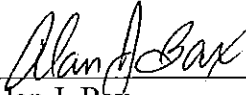
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Assets to the Missouri Joint Municipal Electric)
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AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Alan J. Bax, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached *Staff Recommendation in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

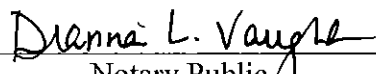
Further the Affiant sayeth not.



Alan J. Bax

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 24th day of January, 2022.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377



Notary Public